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CURRENT INTELLIGENCE WEEKLY SUMMARY



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T H E W E E K I N B R I E F

PART I

OF IMMEDIATE INTEREST

PEIPING CELEBRATES TENTH ANNIVERSARY Page 1

At the celebration in Peiping of the tenth anniversary of their regime, China's leaders are placing major emphasis on "peaceful construction" while reaffirming their long-range goal to "liberate" Taiwan. Soviet Premier Khrushchev at the celebrations attempted to dissociate the USSR from Peiping's harder foreign policy line and to encourage Chinese moderation. Continuing differences between Moscow and Peiping are indicated by the omission by Khrushchev and Suslov of any mention of the communes. Moving toward the Soviet line, Premier Chou En-lai "welcomed" the Eisenhower-Khrushchev communique and stated that China and the bloc will "surpass" capitalism in "peaceful competition." Anniversary developments support other indications that the recent Defense Ministry changes reflect policy differences which Peiping hopes to resolve in most cases without resort to harsh methods. [REDACTED]

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MIDDLE EAST HIGHLIGHTS Page 4

[REDACTED] Cairo's relations with Peiping, which have been gradually deteriorating for many months, have been further strained by the Chinese granting permission to refugee Syrian Communist Khalid Bakdash to severely criticize the UAR regime in a speech on 28 September. Some amelioration of Iranian relations with the USSR seems to be taking place, although it is probably in part a reflection of the present relaxing of broader East-West tensions. [REDACTED]

SITUATION IN LAOS Page 5

Communist insurgents remain quiet in Sam Neua and Phong Saly provinces, but appear to have stepped up their activities in southern Laos. The UN subcommittee will soon make a brief field inspection at Sam Neua, but will probably not go to areas accessible only by helicopters. The British and French feel that the UN presence in Laos

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should be continued as long as possible. Bad feeling between the Phoui government and French representatives in Vientiane is hampering Western efforts to assist Laos.

[REDACTED]

REACTION TO KHRUSHCHEV VISIT TO THE UNITED STATES Page 8

Premier Khrushchev on his return to Moscow from Washington publicly expressed satisfaction with the outcome of his visit. With warm praise for President Eisenhower, he acknowledged the President's desire for an improvement in Soviet-American relations. He has been careful, however, to preserve a cardinal Soviet propaganda theme in repeating that there continue to be forces in the United States which oppose a relaxation of international tension. Khrushchev displayed confidence that his agreement with the President that no time limit should be fixed on renewed negotiations on the Berlin problem will clear the way for an early summit meeting. West European comment has welcomed assurances that Berlin negotiations will be resumed without a definite time limit but retains some skepticism regarding future Soviet actions.

[REDACTED]

PART II

NOTES AND COMMENTS

ALGERIAN REBELS REPLY TO DE GAULLE Page 1

The moderate rebel response to De Gaulle's proposals on Algeria appears designed to gain maximum support within the United Nations, to press France into bilateral negotiations, and to place the onus for continuation of the war on Paris.

[REDACTED]

THE BRITISH ELECTION CAMPAIGN Page 2

The Labor party's chances of winning the 8 October general election in Britain have improved in recent weeks. Latest indications, however, point to another Conservative

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victory, but with less than the 60-seat majority won in 1955. In the marginal constituencies where the national result will actually be determined, both parties are concentrating on domestic issues. [REDACTED]

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SITUATION IN CEYLON FOLLOWING PRIME MINISTER BANDARANAIKE'S DEATH Page 3

Ceylon's new prime minister, 57-year-old Wijayananda Dahanayake, is in a vulnerable position. He has committed himself to continue former Prime Minister Bandaranaike's policies, which have been under attack during the past year, and has not yet been assured of sufficient outside support to provide his party with a working majority in Parliament. A scramble for leadership within the ruling party and moves by the opposition to oust the government and force new elections seem likely. [REDACTED]

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EAST GERMAN HARBOR AND CANAL PROGRAM Page 4

East Germany's Baltic port of Rostock is to be expanded to have a yearly transshipment capacity of about 20,000,000 tons by 1967. The growth of this port will save foreign currency by diverting Czech and East German trade from Hamburg in West Germany, will bolster East German prestige, and will reduce East German vulnerability to Western countermeasures against bloc harassment of Allied traffic to West Berlin. The port will also allow increased use of the Baltic as a petroleum supply line, thus reducing the need for rail transportation through Poland. [REDACTED]

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NATIONALITY PROBLEMS IN YUGOSLAVIA Page 7

Despite official Yugoslav declarations that the nationalities question has been solved by the "united forces of socialist progress," indications this summer of national rivalries have been serious enough to evoke

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public warnings from President Tito regarding the necessity of strengthening Yugoslav internal unity. The most serious rivalries have involved the Serbians--traditionally the dominant ethnic group--with both the Slovenes and Croatsians. [REDACTED]

FOOD SUPPLIES IN COMMUNIST CHINA Page 8

Peiping is seeking to ensure at least minimal food supplies for this fall and winter despite the fact that the drought--which began last June in important farm areas and was still afflicting many of the same areas in September--will probably reduce this year's crop below the level of last year. [REDACTED]

THE TIBETAN SITUATION - 14TH UN GENERAL ASSEMBLY Page 9

The reluctance of most UN members to support formal General Assembly action on the Dalai Lama's appeal, as requested by Ireland and Malaya on 28 September, has been strengthened by the feeling, following Khrushchev's visit, that "cold-war" issues should not be raised at this time. The two co-sponsors' attempt to win UN support by basing their request solely on Chinese Communist disregard for the Tibetan people's human rights and civil liberties is further undermined by the Dalai Lama's insistence on making the sovereignty of Tibet the crux of his appeal. [REDACTED]

PROSPECTS FOR SOVIET-JAPANESE TRADE Page 10

Announcement that a Soviet trade mission will visit Tokyo in early October for preliminary negotiations on a long-term trade agreement coincides with rising optimism in both government and business circles in Japan that a moderate but steady growth in trade with the USSR is in prospect. The USSR hopes to induce Japan to deliver on a deferred-payment basis heavy industrial equipment for development of the Soviet Far East. It is likely that the goal of \$35,000,000 each way under the 1959 agreement will be reached and perhaps exceeded. This volume would still constitute less than one percent of Japan's total trade but would be well above previous levels. [REDACTED]

PRESIDENTIAL NOMINATION FIGHT MAY SPLIT SOUTH KOREAN OPPOSITION Page 11

Opposition Democratic party leaders Cho Pyong-ok and South Korean Vice President Chang Myon will be the principal candidates for the 1960 presidential nomination at the Democratic convention slated to start about 15 October. Should Cho lose the nomination, he may bolt the party and support an administration-sponsored constitutional amendment providing for the election of the president by the

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25X1 National Assembly in exchange for assurances that he would be given the post of prime minister. This would facilitate President Rhee's re-election next year, and place Cho--a strong leader--in a position to succeed the 84-year-old President. It would, however, be a further setback to South Korea's emergent two-party political system. [REDACTED]

CAMBODIAN - SOUTH VIETNAMESE RELATIONS Page 12

25X1 The Sihanouk government believes that South Vietnam is continuing active support of Cambodian dissident elements, and it is gathering evidence to support its case against the Diem regime. South Vietnamese leaders have not changed their basic view that Sihanouk's neutralist policies menace South Vietnam's security. Unless Sihanouk soon is satisfied that provocations from South Vietnam have ended, he may again turn to the Sino-Soviet bloc for support. [REDACTED]

SYRIAN DROUGHT AGGRAVATES UAR'S PROBLEMS Page 13

The nearly disastrous 1959 harvest of grain in Syria, resulting from the second successive year of drought, is increasing local dissatisfaction with the Nasir regime and the Syrian-Egyptian union. To combat the situation, Nasir has sent several high-level delegations to Syria which have promised rapid economic development within the framework of ambitious five- and ten-year plans. Dissident elements in Syria may try, however, to exploit dissatisfaction among the public. [REDACTED]

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ARGENTINE GOVERNMENT WINS ROUND WITH LABOR Page 14

Argentine President Frondizi, who has been under strong pressure both from the armed forces and from labor in recent months, has been strengthened at least temporarily as a result of the limited worker participation in the politically motivated general strike of 23 and 24 September. This was a blow to the prestige of the Peronista and Communist strike leaders, who control about half of organized labor and who had signed in August a unity pact to fight the US-backed stabilization program. Expecting more labor difficulties, Frondizi has announced steps to outlaw the Communist party and restrict political agitation through labor unions. [REDACTED]

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MEXICAN PRESIDENT LOPEZ MATEOS AND HIS ADMINISTRATION . . . Page 15

The record of the first ten months of the Lopez Mateos administration is mainly one of economic accomplishment. The Mexican peso has remained constant in value, prices have been relatively stable, industrial and agricultural production has increased, and Communist-inspired

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labor difficulties threatening the economy have been dealt with firmly. Mexico's foreign policy under Lopez Mateos--who is scheduled to begin a five-day visit to the US on 9 October--continues to be independent, while basically friendly to the United States. [REDACTED]

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PART III

PATTERNS AND PERSPECTIVES

THE ECONOMY OF COMMUNIST CHINA AFTER TEN YEARS Page 1

Since the Chinese Communists came to power in 1949, the economy of the country has been reorganized on the Soviet model and has made rapid and noteworthy advances. A vigorous and ambitious program of industrialization has pushed production to record levels, and further successes are likely. Progress has been uneven, however, and the regime has been forced to admit that achievements last year were far below the levels previously claimed. Despite its economic improvements, China is still a newly developing country with a low standard of living. A number of serious problems confront the Peiping leaders, not the least of which is ensuring the cooperation of the people in the "hurry-up" economic programs. [REDACTED]

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PROBLEMS OF FRANCE'S NEW-STYLE PARLIAMENT Page 6

When the French Parliament reconvenes on 6 October for the first session of the new legislative year, some attempts to reassert its former power will probably develop--perhaps in the Senate, where opposition forces are stronger and less pliant than in the National Assembly. However, no threat to the stability of the Debré government is in prospect now. De Gaulle had no occasion during the opening session to play the role he had envisaged for the president as arbiter between government and parliament. As a result, he took the initiative in the impasse which developed on the Algerian and school-aid questions, and his moves will probably lead to a realignment within the parties which have so far given Debré overwhelming support. [REDACTED]

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PART I
OF IMMEDIATE INTEREST**PEIPING CELEBRATES TENTH ANNIVERSARY**

At the celebrations under way in Peiping of the regime's tenth anniversary, the Chinese Communist leaders have placed major emphasis on "peaceful construction" and the "brilliant" successes of the regime in the economic field. Comparisons between the present economic situation with the "unhappy" situation ten years ago are clearly intended to cover up the recent embarrassing retreat from overambitious economic targets, while dramatizing the considerable achievements of the ten-year period.

Premier Chou En-lai told an anniversary eve banquet that China has "paved the way for a great leap forward," indicating that the Chinese leaders will continue to demand hard work and austerity from the people. Chou referred to the communes briefly as "new-type organizations beneficial to the development of productivity," but avoided claims made by Chinese theorists that they contain the "young buds of Communism."

Chou's speech was primarily directed toward China's most important guest, Soviet Premier Khrushchev, and contained passages reflecting the Soviet foreign policy line. Chou "welcomed" the Eisenhower-Khrushchev communiqué, congratulated Khrushchev as a "peace envoy," and asserted that China, along with the bloc, will "surpass capitalism in peaceful competition."

In his speech which followed Chou's, Khrushchev con-

centrated on foreign policy and the line of peaceful coexistence. His remarks that "we must do everything possible to preclude war" and that "we should not attempt to test the stability of the capitalist system by force" vary markedly in tone from recent Chinese pronouncements. Khrushchev appeared anxious to convey the impression to the West that he intends to maintain the atmosphere of detente and sought to dissociate the USSR from Peiping's harder foreign policy line.

Khrushchev may seek to convince the Chinese leaders in private talks of the need to moderate their propaganda. The Chinese will probably tell Khrushchev that they must continue to highlight American "provocations" against China until there is a "basic" change in American policy toward the Nationalist position on the offshore islands and Taiwan. They will probably point out that the pledge to "liberate" Taiwan is a useful domestic slogan to push the populace toward greater efforts.

Khrushchev himself seemed appreciative of the propaganda importance to Peiping of the "liberate Taiwan" slogan, and in his 30 September remarks expressing sentiments against wars in general, he excepted "liberating" wars. The pledge to "liberate" Taiwan made by Liu Shao-chi and Defense Minister Lin Piao during the celebrations was in a long-term context and did not carry a sense of urgency. The Chinese Communists announced they would

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not shell the Chinmen complex on 29 September and 1 October in order to enable "compatriots" to celebrate the anniversary "happily."

Khrushchev appeared reluctant to endorse Communist China's economic policies, although he and Soviet presidium member Suslov--who spoke on 28 September--made the usual affirmations of Soviet support and friendship. Khrushchev declined comment on China's achievements, asserting it is "not for me" but for "you, my friends, to speak of your successes." He avoided any reference to the commune program and to the "leap forward," but referred to Soviet experience as an "object lesson in economic construction." Like Suslov, Khrushchev apparently was suggesting to the Chinese that they would profit by adhering more closely to the USSR's methods in industrial and agricultural technology.

The continuing Soviet effort to influence the Chinese to change the term "commune" back to cooperative was indicated in a Georgian Republic newspaper on 10 September, which stated the "cooperatives formed in 1959 were called the people's communes by our Chinese comrades." For Moscow, the term apparently implies a highly advanced stage of social development--an implication the Soviet leaders hope to eliminate from Chinese ideological claims.

Mao and Khrushchev will probably issue a joint commu-

niqué to remind the West that Moscow is an ally of China "forever" and to reassure Asian nations that the Chinese regime has "peaceful" intentions. It would appear to be in Peiping's interest to adopt more fully the Soviet line on "peaceful competition"--a move which may well be reflected in any joint communiqué.

The USSR's delegation is a high-level, businesslike group and includes the deputy chairman of the State Committee for Foreign Economic Relations. The occasion might be marked by the announcement of some modification of or small addition to Soviet aid in the industrialization of China. The delegations from the three Asian satellites, which are headed by their respective party chiefs, also include the defense ministers from North Korea and North Vietnam, suggesting discussions will be held on Far East military matters.

The absence of almost all the top Eastern European leaders probably indicates that no key matters specifically affecting their countries will be discussed in Peiping. In addition, the USSR probably would not welcome the symbolic significance at this time of a meeting of all bloc leaders in the Chinese capital. Protocol justification for the character of the East European delegations was perhaps based on the fact that no important Chinese leader, except Chou En-lai in 1957, has visited Eastern Europe, despite the fact that most East European satellite leaders have visited China.

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The presence of several prominent Latin American Communist party leaders in Peiping provides an opportunity for them to discuss with top Chinese officials new tactical plans in furtherance of Chinese objectives in Latin America. Top officials of the Brazilian, Argentine, and Venezuelan parties spoke at the opening ceremony, praising Chinese achievements. Peiping has thus far been most successful in exploiting anti-US sentiment in Cuba. None of the 20 Latin American nations has diplomatic relations with Communist China, but Cuba recently became the first country in the area since 1952 to abstain in a United Nations General Assembly vote on the question of Chinese UN representation.

The growing Chinese Communist armed forces received considerable emphasis in the large military review held in Peiping. Modern military equipment of Chinese manufacture including 52 jet fighters, probably MIG-17s, 72 large field artillery pieces, and 99 recently built tanks were prominently displayed. In all 155 cannon, 99 tanks, and 150 jet aircraft participated.

The appearance of almost all leading party, government, and military leaders at the ceremonies has provided some new insight into the government changes announced by Peiping two weeks ago. Two important military figures, who lost their posts in the Ministry of Defense, remain unaccounted for so far in reports of the cele-

brations. The continued absence of former defense minister Peng Te-huai and his former chief of staff when all other senior military leaders appeared in Peiping supports other indications that they were removed for political reasons.

This note is echoed in a long article by the new defense minister, Lin Piao, which outlines a number of policy differences within the services over the general question of party "leadership" of the armed forces, including the party's massive employment of troops in the "leap forward" and the commune program. Throughout his article Lin refers to those at odds with the party center as "comrades," thus suggesting that Peiping hopes to reform most of them through "study and education." Peiping is apparently satisfied with the military performance of the army, which Lin described as "triumphant."

A somewhat jarring note to the general mood of harmony and progress is contained in an article by Chinese head of state Liu Shao-chi which appeared in conjunction with the National Day holidays. Liu repeated the party's earlier concern that "right opportunism"--that is, opposition to the regime's domestic program--poses the greatest threat to Chinese development at present. Although Liu also described the critics as "comrades," his emphasis on the continuing threat suggests that action against some of these critics will be resumed after the National Day ceremonies are over. 25X1

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MIDDLE EAST HIGHLIGHTS

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UAR

Nasir is now in another dispute with Communist China. On 28 September Khalid Bakdash, refugee Syrian Communist, severely criticized UAR policies in a speech delivered at the tenth anniversary celebrations in Peiping. Bakdash's remarks were harsh enough to compel the UAR chargé attending the celebrations to leave the meeting.

The UAR press has taken up the incident, caustically reprimanding the Peiping government for allowing Bakdash to speak, and on 30 September the UAR Foreign Ministry delivered a formal protest to the Chinese Communist ambassador in Cairo.

It is not expected that the immediate result will be more than a UAR protest to Peiping, but it will contribute to the general deterioration in Cairo-Peiping relations that has developed since Nasir began his anti-Communist campaign early this year. Since that time, the Chinese have repeatedly shown their irritation with Nasir's campaign and with UAR criticism of their action in Tibet.

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Iran

The Shah of Iran has held his first interview with Soviet Ambassador Pegov since the ambassador returned from Moscow on 16 September following a six-month absence. Pegov left Tehran in March following the breakdown of high-level discussions regarding a possible Soviet-Iranian nonaggression pact. On balance, it now appears that some amelioration in Iran's relations with the USSR is taking place. The eased Soviet-Iranian tension may also reflect the current period of calm in the broader aspects of East-West relations.

While the Shah has given no indication to American Embassy representatives that Soviet-Iranian treaty talks may be forthcoming, he may intend to use the absence of his two foremost and Western-oriented advisers, Prime Minister Eqlal and Foreign Minister Aram, to hold exploratory talks on a possible rapprochement with the Russians. Aram is attending the UN General Assembly and will later represent Iran at the CENTO Council meeting in Washington from 7 to 9 October. Eqlal is due in the United States

on 1 October to attend the UN General Assembly and the CENTO meeting. Under somewhat similar circumstances in January, the Shah became embroiled in hard bargaining with the USSR which led to strained Soviet-Iranian relations.

The Shah told a press conference on 26 September that Iran would welcome a Soviet offer of commodities which are "better and cheaper than anywhere else." He also noted that he was hopeful Soviet-Iranian relations will return to normal--and become "even friendly so we may live with peace of mind"--when the Soviet radio terminates its propaganda campaign. Radio Moscow has halted its criticism of the Shah as such but has maintained its attacks on Iranian "rulers," attacks which the Shah apparently has decided to ignore at least for the present.

Meanwhile, the Soviet-sponsored clandestine "National Voice of Iran" and the East German station which acts as the mouthpiece of the Iranian Communist Tudeh party continue their propaganda pressure on the so-called "coup d'etat regime" and invite the overthrow of the Shah.

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SITUATION IN LAOS

Communist insurgents remain quiescent in Sam Neua and Phong Saly provinces but appear to have stepped up their ac-

tivities in southern Laos. New small-scale skirmishing has also been reported in Luang Prabang and Vientiane provinces.

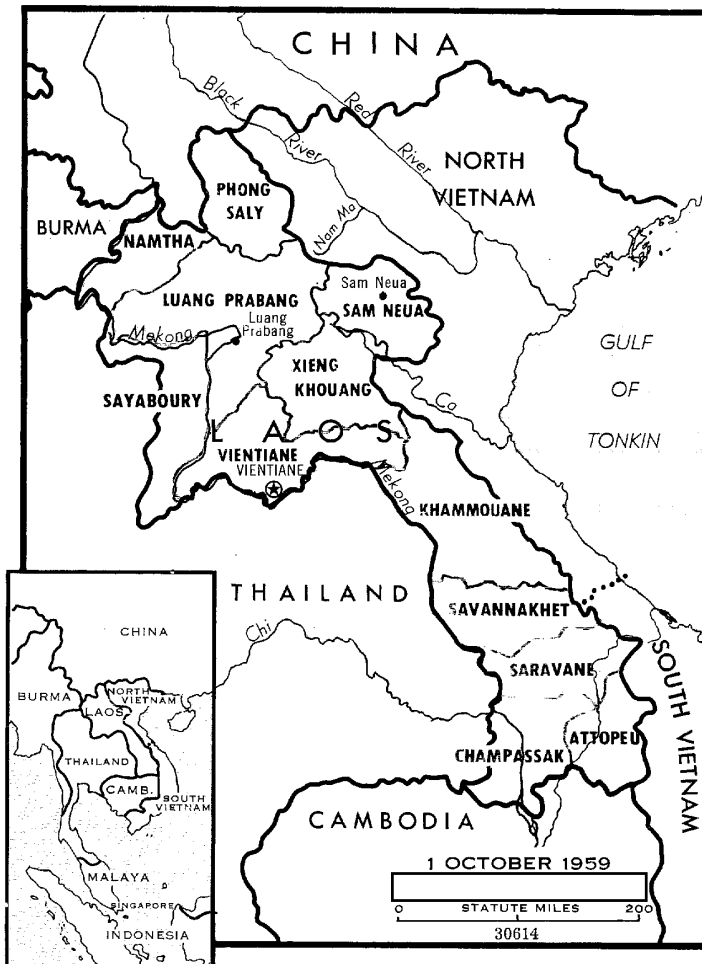
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UN subcommittee members in the next few days will fly to Sam Neua town for what will probably be only a cursory look at the situation. According to UN Secretary General Hammarskjold, the subcommittee during this first visit will restrict itself to a

few interviews at the Sam Neua landing strip, after which the members will return to Vientiane to discuss whether on the basis of their findings it would be necessary to make further field inspections in the forward areas. If no further trip is decided on, the subcommittee will probably return to New York on or about 16 October. If it does decide to return to the field, helicopters will be requested and the mission's return to the United Nations will be delayed another 20 days.

The changing pattern of fighting seems to bear out the expectation of Laotian defense authorities that, with the UN subcommittee present in Laos looking for evidence of North Vietnamese involvement, the Communists would de-emphasize fighting in the areas bordering on North Vietnam and concentrate on guerrilla operations in the interior of Laos.

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There seems to be little prospect that the subcommittee will return to Sam Neua for more intensive field inspections. The areas to be surveyed are accessible only by helicopter, and certain of the subcommittee members, as well as Hammarskjold, seem to feel that the introduction of helicopters and their necessary support elements would be too conspicuous an extension of what is considered the subcommittee's limited mandate. Hammarskjold seems to have effectively frustrated any attempt to use helicopters by making the recommendation, accepted by the subcommittee, that no helicopters or pilots of any permanent member of the Security Council or of any country bordering on Laos be used.

The subcommittee's departure from Laos may also be hastened by the reported disgruntlement of its members over the austere living conditions in Vientiane and the confused and inept manner in which the Laotian Government is making the necessary arrangements for the mission to carry out its assignment. The Tunisian member of the subcommittee, Habib Bourguiba, Jr., has been recalled to resume his post as ambassador to France. He is said to have been recalled because his services may be needed in connection with the Algerian situation. Another Tunisian will replace him on the subcommittee.

The British and French feel the UN presence in Laos should be continued for as long as possible. However, there are potentially serious divergencies of opinion as to what

to do when and if the UN is no longer seized of the problem. The British Foreign Office, sensitive to its responsibilities as one of the two cochairmen of the 1954 conference on Indochina and dubious regarding the feasibility of a military solution, feels some form of negotiations on the international level presents the best hope for resolving the crisis. The French, on the other hand, appear to believe the crisis to have arisen from internal factors, and would favor political measures within Laos designed to ease the situation.

Meanwhile, bad feeling among local French representatives in Vientiane continues to hamper joint Western efforts to assist Laos. The most recent incident involved an article by New York Times correspondent MacGregor, purportedly based on an interview with Premier Phoui, stating that once the present crisis subsides and if American support continues, Laos will sever its "main relations" with France. This is a probable reference to the French military mission, with which the Laotians have long been dissatisfied. Despite his subsequent public profession of friendship for France, Phoui is known to be privately strongly antipathetic to French representatives in Laos and would much prefer to give the United States primary responsibility for training the Laotian Army.

French Foreign Minister Couve de Murville has indicated plans to replace Ambassador Gassouin, but whether this move will materially improve relations is problematical.

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REACTION TO KHRUSHCHEV VISIT TO THE UNITED STATES

Premier Khrushchev has taken a generally optimistic line in his initial assessments of his visit to the United States and publicly expressed his satisfaction with its outcome. He has warmly praised President Eisenhower for his "statesmanlike wisdom" and "courage and resolve," and voiced the belief that the President "sincerely wishes to liquidate the 'cold war,' create normal relations between our countries, and help improve relations among all countries."

Khrushchev has stated that his talks with the President produced "common understanding on many points both regarding the evaluation of the situation and the need to improve relations." On the German question, he told a Moscow rally shortly after his arrival on 28 September that "we tried to prove, and I think we succeeded, that our proposals on the conclusion of a peace treaty have been misinterpreted in the West."

In his final speeches in the United States, Khrushchev was effusive in his expressions of gratitude for the "warm cordiality and hospitality" accorded him and his party. He said, "We were strengthened in our conviction that the American people are striving for friendship with our people and that they love peace and their homeland."

At the same time, however, Khrushchev has been careful to preserve a cardinal Soviet propaganda theme regarding American foreign policy by suggesting that the President is in a "more difficult position than I am" because of "influential forces" in the United States which

oppose improved relations and a relaxation of tension. He told his Moscow audience that the President "seems to have some types of obstacles which prevent him from implementing his wishes in the spirit and at the time he would like," but he refrained from giving what he called a "final answer" as to whether the forces which support the President can win, although he conceded that the President enjoys the support of the "absolute majority of the American people."

Khrushchev's caution in assessing his trip was also evident in the repetition in his Moscow speech of charges that American authorities, under the pretext of security precautions, tried to prevent him from meeting the people. He repeated the canard about the car which allegedly preceded the motorcade on his arrival in Washington carrying a sign urging people to refrain from applause and greetings. However, he specifically absolved the President from any knowledge or responsibility for this incident. He also complained that there seemed to be an organized "demonstration of hostility" to him during the first part of the visit.

Summit Prospects

Khrushchev appears confident that his agreement with the President that no time limit should be fixed on renewed negotiations on Berlin will clear the way for an early summit meeting. In accordance with their agreement at the Camp David talks, Khrushchev confirmed the President's press conference statement of 28

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September on this point, using the device of an "interview" with TASS on 29 September. He said the President had given the "right description" of this agreement and added that "we have, indeed, agreed that negotiations on the Berlin question must be resumed, that no time limit should be set for them. Neither must they be delayed indefinitely."

In his Moscow speech, Khrushchev reported he had discussed a summit meeting with the President and that they had "agreed that such meetings are needed and useful."

Jamming of VOA Broadcasts

Monitoring of Voice of America transmissions to the USSR reveals that the relaxation of Soviet jamming has continued since Khrushchev's departure from the United States. During the period 25-29 September, 88 percent of Russian-language broadcasts, 86 percent of Latvian, 92 percent of Lithuanian, and 54 percent of Estonian were audible.

Western Europe

Cautious optimism characterizes most of the Western European attitude toward the apparent outcome of Khrushchev's visit to the United States. Europeans welcome assurances that Berlin negotiations will be resumed without a definite time limit and that the threat of force has been removed, but still show skepticism regarding future Soviet actions.

Bonn government circles cautiously welcomed the no-

force pledges and the agreement between President Eisenhower and Khrushchev to hold new talks on Berlin as "important" developments in East-West relations. Political leaders in Bonn had not expected dramatic developments from the Washington talks, and their reaction has been calm. They remain skeptical, however, of any early or sweeping changes in the world situation. Chancellor Adenauer commended the American people for the way they received Khrushchev and stated that the visit had served to make absolutely clear that "the German future is based on a firm link with the United States."

The West German press was initially critical of Secretary Herter's 22 September statement regarding a Soviet peace treaty with East Germany and President Eisenhower's 28 September press conference statements on Berlin. Subsequently, however, Bonn officials have stated that their fears of a change in American policy have been allayed.

The West German press viewed the results of the Khrushchev tour with satisfaction, agreeing that it was a propaganda success for Khrushchev, but with few direct accomplishments. While many papers indicated shock at Khrushchev's personal behavior in the United States, some were optimistic that even the Berlin crisis might be solved if his determination to achieve a reconciliation with the United States is as great as the trip indicates.

Elsewhere in Western Europe reaction has ranged from warm approval in Britain to some

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suspicion in the Benelux countries that the Eisenhower-Khrushchev communiqué may have concealed some secret understanding possibly prejudicing the interests of small countries.

French skepticism is shown in comments from the Socialist Le Populaire that the Khrushchev visit marked "an important step toward a detente, but only a step," and from the conservative Le Figaro that while Eisenhower "so far cannot be criticized for any weakness, time is on the side of Khrushchev." In Italy, the independent Corriere della Sera predicted that the problems of Germany and disarmament "will probably be passed, unsolved, to our children." An influential independent Vienna paper warned that a "tendency to return to the principles of Yalta" was evident. A leading Dutch paper fears that the United States may now be willing to make concessions.

Warmest British approval of the outcome of the visits came from electioneering Prime Minister Macmillan, who again claimed credit for easing the Berlin crisis. The British press unanimously considers that the Khrushchev visit was justified and improved the international situation. With the exception of the progovernment Telegraph, London papers say that the agreement to reopen the Berlin negotiations points to a successful summit conference. A high Foreign Office official privately states that although the West is unlikely to gain much from the Eisenhower-Khrushchev exchange, the uncommitted countries must

be shown again and again that the West is striving for a peaceful agreement and that it is the Soviet Union which is obstructing a settlement.

Latin America

Scattered early comment from Latin America suggests that the Khrushchev-Eisenhower statement is a definite first step toward total renunciation of war as an instrument of national policy. The United States and the USSR have committed themselves to do away with war forever, according to Chilean and Colombian radio-broadcasts, while a leading Panamanian newspaper states that the communiqué has "evoked a sigh of relief" and that "hope for peace is rising more and more."

Far East - South Asia

A spokesman for Japanese Prime Minister Kishi said that the visit furthered mutual understanding and "to some extent will remove the feeling of distrust between East and West." He noted, however, that in view of the lack of agreement on substantive issues, a general relaxation of international tensions cannot be expected for the near future, and Japan's present political and diplomatic position will not be affected.

Press comment was essentially the same. A few articles urged that Japan play an active part in assisting a thaw in the "cold war" which, in the Japanese

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view, means being in the forefront of any move to accept and recognize Communist China.

South Korea has consistently viewed with alarm any lessening of "cold-war" tensions as likely to lead to free-world acceptance of a divided Korea. A Foreign Ministry spokesman on 22 September termed Khrushchev's UN disarmament proposal "unrealistic" and designed to mislead the free world into false hopes of security. The local press has highlighted the delineation of East-West differences brought about by Khrushchev's visit rather than the possibility of a reduction of tensions.

Most Chinese Nationalist editorial comment on the visit gives impression to the common theme of fear that it may lead

to a change in American policy toward recognition of the Peiping regime.

Prime Minister Nehru expressed the hope on 28 September in a speech to the All-India Congress Committee that the Eisenhower-Khrushchev meetings would have "good results." On Khrushchev's disarmament proposals, the Times of India summed up Indian press reaction when it cautioned that it would be "dangerous folly" to discuss them as a "propaganda exercise" on the grounds that total disarmament is impossible and that the alternative measures suggested by Khrushchev in his UN address are what the Soviet Union has always favored.

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The Algerian rebel reply to De Gaulle's self-determination proposals in effect accepts the French program as a basis for negotiations, while citing several major reservations. The moderate response appears designed to gain maximum support within the United Nations, to pressure France into negotiations with the National Liberation Front (FLN), and to place the onus for continuation of the war on France.

The French Ministry of Information has characterized the rebel statement as "unresponsive," and the Foreign Ministry indicated that, as the French Government does not recognize the rebel government, there would be no reply. These statements are probably intended to indicate that De Gaulle's 16 September proposal is as far as France intends to go in any settlement of the Algerian problem.

They also reflect Paris' confidence that De Gaulle's proposals have obtained a favorable international response. De Gaulle's position has probably been strengthened by his triumphal tour of northern France, where his decision to offer Algeria a free choice received a thumping endorsement, and by the conspicuous absence of criticism in the non-Communist French press.

number of points in De Gaulle's program loom as major stumbling blocks. The Algerians have insisted that Algeria is indivisible, whereas under the French proposals its oil-rich Saharan departments would remain French should the Algerians eventually opt for independence. In addition, the FLN has stated that Algerian self-determination cannot be subject to a popular referendum in France, as outlined by De Gaulle.

A possible area for compromise involves the prospect of a community solution for Algeria--the course favored by De Gaulle. The rebel response to De Gaulle cites numerous objections to the process through which Algeria might choose independence, but avoids comment on the practicality of autonomy with ties with France. Although some rebel leaders probably desire complete independence, a more moderate group may be willing to explore the possibility of a community solution.

Algerian rebel spokesmen have criticized the United States for statements which, they allege, attempt to force them into accepting De Gaulle's

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program unconditionally. The rebels probably hope that support for their position within the Afro-Asian bloc will bring

about a UN resolution calling for negotiations as desired by the rebels.

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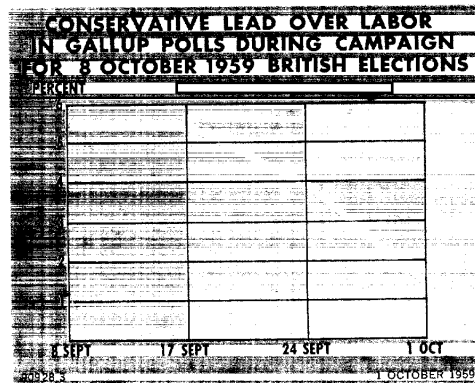
THE BRITISH ELECTION CAMPAIGN

Although a London financial scandal has bolstered the Labor party's chances of winning the 8 October general election, latest indications continue to point to another Conservative victory, but with less than the 60-seat majority won in 1955.

Britain's economic well-being and the favorable outlook for relaxing East-West tensions remain the major factors in Conservative chances for a third consecutive term of office. A further fall in unemployment in mid-September brings the number out of work to only 1.9 percent of the total labor force, compared with the recession high of 2.8 percent last January. The Eisenhower-Khrushchev agreement to reopen the Berlin negotiations is attributed by the public generally to Prime Minister Macmillan's diplomatic initiative beginning with his trip to the Soviet Union last winter.

Conservative party officials are modest in their claims, however. They have informed the American Embassy in London that the best the Macmillan government can hope for is a majority of 30 to 40 in the 630-seat House of Commons. Gallup polls as well as those of Conservative newspapers show the government's lead in popular support narrowing and a surprising increase in the number still undecided in their voting preference.

Both parties are concentrating on domestic issues in the marginal constituencies--accounting for some 50 seats won by less than a thousand votes, where the national result will actually be determined. The Laborites are promising higher pensions and a return to rent control, the two issues on which the Conservatives are believed to be most vulnerable. A recent highly publicized financial scandal which will probably cause the loss to small depositors of savings amounting to over \$8,000,000 has given the Labor party additional ammunition. Although the government is not



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involved, popular suspicions of Conservative financial manipulation may be heightened. Labor's claim that it is the party best able to protect the interests of the "little people" could be particularly effective in the marginal constituencies outside London.

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Other factors bolstering Labor's hopes are the greater effectiveness of the party organization and the intervention

of Liberal candidates in about a third of the marginal seats now held by Conservatives.

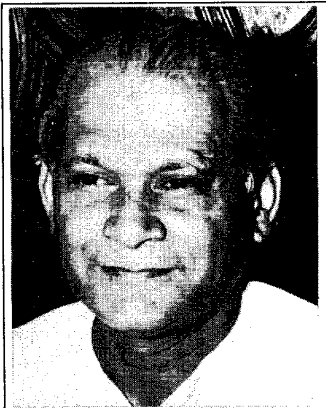
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SITUATION IN CEYLON FOLLOWING PRIME MINISTER BANDARANAIKE'S DEATH

Ceylon's Governor General Goonetilleke on 26 September appointed 57-year-old Wijayananda Dahanayake to succeed Prime Minister Bandaranaike, who was fatally shot on the morning of 25 September. Dahanayake's prospects for remaining in power for long are not bright. A scramble for leadership among

ment's parliamentary group, he is Bandaranaike's logical successor.

A conspicuous figure in Ceylonese politics, Dahanayake strongly represents the island's Singhalese-speaking, Buddhist majority. Unlike most Ceylonese political leaders, he has never been abroad, and is more completely "Ceylonese" than they. Dahanayake is well supported by his local constituents but is not widely respected among top political leaders, who with some justification regard him as something of a "jokester" in Parliament.



DAHANAYAKE

Immediately on assuming office, Dahanayake assured the nation that he would continue the former prime minister's socialist-neutralist policies. He also reappointed the entire Bandaranaike cabinet and expressed his hope to maintain the Sri Lanka Freedom party in office until the next scheduled national elections in April 1961.

the factions of the ruling party and moves by the opposition to oust the government and force new elections seem likely.

Dahanayake, who was education minister under Bandaranaike, has retained this post and is taking over defense and foreign affairs in addition to the prime ministership. He is a leader of the moderate faction in the ruling Sri Lanka Freedom party. As top-ranking cabinet member and acting leader of the govern-

Dahanayake's position is vulnerable both because he has committed himself to Bandaranaike's policies, which have been under continuous attack during the past year, and because the Governor General did not consult other parties concerning Dahanayake's appointment and thus does not know whether a workable coalition will be possible under the new leader.

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Some working agreement is necessary since the ruling party has had to depend on the support of six appointed members and several independents for a working majority following the breakup of Bandaranaike's coalition last May. With this support, the government could presently muster about 50 votes to the opposition's total of 47. The opposition recently suffered a loss of two votes as a result of the death of a Tamil representative and the defection of a conservative United National party member to the government's ranks.

However, diverse right- and left-wing elements in the ruling group may prefer some realignment now that Bandaranaike's leadership is gone, and opposition elements who were reluctant to face the polls during

Bandaranaike's regime may now feel more inclined to do so. Opposition leaders are assessing the situation, and it is possible they will soon introduce a no-confidence motion in Parliament. The situation should soon be clarified, as Parliament is now in session and the government cannot conduct business for long without producing a majority vote.

The island's military and police forces have been alerted, and all cabinet ministers are being carefully guarded. No serious disturbances have occurred thus far, although there have been minor demonstrations against Buddhist monks. Bandaranaike's assassin, a Buddhist monk, apparently was motivated by a personal grudge and not backed by any particular political group.

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EAST GERMAN HARBOR AND CANAL PROGRAM

East Germany's Baltic port of Rostock is to be expanded to have a yearly transshipment capacity of about 20,000,000 tons by 1967. This program is a considerable extension of the plans mentioned by party secretary Ulbricht in 1957 to make Rostock the largest East German shipping center and to expand all East German Baltic ports from a combined yearly capacity of 3,000,000-4,000,000 tons to 7,500,000 tons by 1960. Apparently the expansion of the ports of Wismar, Stralsund, Sassnitz, and Greifswald has been halted after considerable expenditure, and the resources now are being concentrated on Rostock.

After expansion, Rostock port--including Warnemuende and Petersdorf--is to be able to service simultaneously 35 freighters of an average of 10,000 tons each and to handle up to 1,000 tons of cargo per hour by highly mechanized

methods. Many ancillary facilities such as residential districts, communications installations, and shipyards are also under construction.

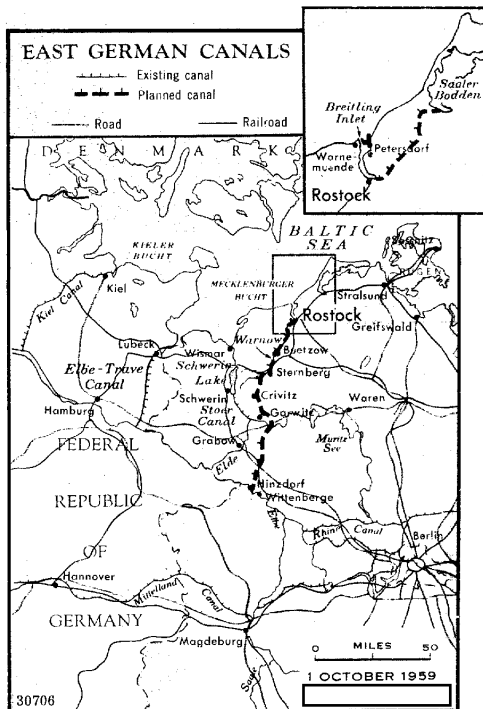
Work on this project is well advanced. Throughout the rigorous winter of 1959, 2,000 men worked two shifts, one under floodlights. At the formerly sleepy fishing village of Warnemuende, new dockyards have sprung up. The 800,000 inhabitants of Rostock "volunteered" a quarter of a million unpaid hours last year. A new entrance canal, 35 feet deep, connecting the Baltic with the Breitling estuary has been cut through the dunes and a new jetty built. This was completed in October 1958, 15 months ahead of schedule. The canal is being dredged, as are the three or four harbor basins which lie about seven miles inland. One of these is for oil; the others for general cargo.

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Rail and road connections with the interior must be greatly expanded before Rostock's planned full capacity can be utilized. A new port railroad station and switching yard are to be connected with the quays, and a direct line from Rostock via Waren to Berlin is to be built and double-tracked by 1965. In addition a highway between Rostock and Berlin is planned.



Local roads are now being widened and improved.

At present there is no direct inland waterway connection between any of the East German seaports with the primary inland waterway system. Excavation for one canal was begun and abandoned. The canal route

that appears to be most promising runs from Rostock up the Warnow to Buetzow, then through Sternberg, Crivitz, and Garwitz and to the Elbe near Hinzdorf. Its total length would be around 100 miles, requiring six locks and 58 bridges.

The total cost of the entire project is estimated at from \$350,000,000 to \$550,000,000--a little more than half for the port and the remainder for the canal. The West German press has described the grandiose project as "madness," and Hamburg is reluctant to surrender the benefits of transshipping about 2,000,000 tons of East German cargo annually.

The East Germans, although maintaining that economic necessity is the motivation--especially to save hard currency--state privately that the port's completion "will make it impossible to put economic pressures on us in navigation matters"--i.e., it would reduce East German vulnerability to countermeasures instituted by the West in retaliation for bloc harassment of Allied traffic to West Berlin. If Rostock is connected with the Elbe, over a million tons of Czech cargo passing through Hamburg yearly could be diverted. The oil port would permit more extensive use of the Baltic as a supply line, reducing the need for rail transit through Poland.

However, since many years must pass before the expense of port construction can be defrayed by operations, a principal purpose of the project appears to be to boost national prestige.

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NATIONALITY PROBLEMS IN YUGOSLAVIA

Despite official Yugoslav declarations that the nationalities question has been solved by the "united forces of socialist progress," national rivalries have become apparent in the past few months serious enough to evoke public warnings from President Tito regarding the necessity of strengthening Yugoslav internal unity. The most serious disputes have involved the Serbians--traditionally the dominant ethnic group--with both the Slovenians and Croats.

An underlying cause of friction has been the long-standing resentment of the more developed republics, such as Croatia and Slovenia, against the federal government's attempts to industrialize, at their expense, the backward areas of the country, such as Montenegro and Macedonia. Long-standing fears among a number of the republics of a revival of pan-Serbism contributes to the na-

tionality problem. Other factors, some centuries old--involving such issues as language, religion, or historical association with the various occupiers of the Yugoslav regions, contribute to the deeply held national identities of the present-day republics.

The Croats were particularly incensed by Serbian plans to locate new refineries for

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Yugoslavia's oil industry in Serbia and Montenegro, which is ethnically Serbian, although Croatia yields 80 percent of the country's oil. The vehemence of this dispute is indicated by the fact that the Croatian press commented on it in August; such disputes are rarely reflected in the press.

The Slovenians recently supposedly went directly to Tito for permission to produce Citroen automobiles to compete with Serbian-produced Fiats. The Slovenians feel that they are much more efficient industrially than the Serbs, and reportedly have recently gone as far as to talk about "confederation" rather than "federation" in Yugoslavia. The Slovenians' purpose would be to weaken the authority of the central government and thereby inhibit it from developing other areas at Slovenia's expense.

The Serbians achieved a not inconsiderable victory when Tito announced on his 17-22 September trip to Montenegro that he had pledged his personal backing for plans to build a railroad from Belgrade to Bar, in Montenegro--a Serbian dream since 1918. Aside from enhancing the development of the Montenegrin economy, this would give Belgrade--which is the Serbian as well as the

federal capital--a more direct route to the Adriatic and enable it to avoid dependence on Slovenian and Croatian transportation facilities to the ports of Rijeka and Trieste.

Without pointing the finger at any particular republic, Tito took cognizance of nationality problems in speeches at Bar and Kotor, also in Montenegro, on 17 and 18 September. He warned against competition between the republics because sometimes not "enough attention is paid to the needs of others" and because such competition could be interpreted as "nationalist or chauvinist."

Despite these problems, Belgrade has continued to encourage Macedonian nationalism to convince the Macedonian people that their best interests lie in inclusion in the Yugoslav state. The existence of sizable Macedonian populations in Bulgaria and Greece, arising from Macedonia's division following the Balkan wars and World War I, has long been regarded by Yugoslavia as a threat to its internal stability. By the recent establishment of the Macedonian Church, Belgrade has sought to build up Macedonian identification with Yugoslavia, especially as a counter to efforts by the Bulgarian Orthodox Church to supply candidates for vacant Yugoslav Macedonian bishoprics.

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FOOD SUPPLIES IN COMMUNIST CHINA

The drought which began last June in important farm areas of north-central China was still afflicting many of the same areas in early September and will probably result in 1959 food-grain output below the level of last year's record production of nearly

220,000,000 tons. There is no prospect that the regime's grain goal--recently reduced from 525,000,000 tons to 275,000,000 tons--will be met.

In anticipation of this year's shortfalls and determined to avoid the errors committed

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last fall, the Peiping regime is taking steps to conserve available food stocks. Serious losses were incurred last fall when careless harvesting and handling were combined with an excessive increase in consumption, the latter probably designed to make the communes go down more easily. In addition, the demands of the commune movement and the iron and steel drive were such that the production of important nonstaple foods was neglected. Taken together, these factors led to the very tight food situation which developed early this year. Peiping evidently means to spread the food obtained this year over as long a period as possible.

The largest mass campaign of the past summer was launched to encourage the growing of vegetables and other nonstaples. Some improvement in the supply of such items became evident in July and August, and further improvements, although not complete alleviation, are promised by the regime in the next few months. Simultaneously strenuous efforts have been made to step up production of hogs and poultry. Members of communes have been encouraged to grow them individually and have been promised a share of the meat

and a right to retain any profits from their sales.

Numerous instructions and directives are being issued by the authorities on the timely and proper harvesting and handling of the crop now coming in. Rural officials have been told that it is only "sensible" that the manpower available to them be put to such tasks above all others. The People's Daily says that "meticulous" harvesting must be coordinated with better work in collecting crops from the farms and in storing them.

Peiping is insisting at the same time on frugality in individual consumption of food. The present food austerity drive actually got under way around the turn of the year, but the People's Daily has recently been emphasizing the need for consumption controls, warning that it is the "duty" of every Chinese to limit what he eats in every possible way.

While local shortages of individual items may develop from time to time, these steps should help Peiping avoid the errors of last fall and give the Chinese people at least a minimal diet over the coming fall and winter.

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THE TIBETAN SITUATION - 14TH UN GENERAL ASSEMBLY

Although an intensive canvass by the Irish delegate during the past two weeks revealed widespread lack of support among UN members for formal General Assembly action on the Dalai Lama's appeal, Ireland and Malaya on 28 September requested inscription of the Tibetan situation on the assembly's agenda. The two co-sponsors' attempt to win UN support

by basing their request solely on Chinese Communist disregard for the Tibetan people's human rights and civil liberties is further handicapped by the Dalai Lama's insistence that Tibetan sovereignty is the crux of his appeal.

Ireland and Malaya were unsuccessful in getting any Asian Buddhist country to co-sponsor

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their request. Other UN members in the area, such as Japan, the Philippines, and New Zealand, also declined. Ireland's permanent UN delegate believes India's argument that UN discussion would be "untimely" has been persuasive among the Asian-African bloc. He added that European and Latin American UN members also lack enthusiasm, both because of the UN Charter's provisions forbidding UN interference in the internal affairs of a member state and because of the "general atmosphere following Khrushchev's visit."

Indian delegate Krishna Menon adamantly opposes the Tibetan item and contends that a better case could be made for discussing denial of human rights in Nyasaland or Spain than in Tibet. Menon stated that a UN debate would in no way help the Tibetans and might jeopardize the relaxation of international tension.

Soviet UN delegate Kuznetsov on 28 September urged the British delegation to "use its influence" to ensure that no discussion of Tibet take place. Kuznetsov argued that discussion would spoil the present international atmosphere and increase difficulties between India and Communist China. He threatened to say "hard things" in any discussion of Tibet.

According to the Norwegian UN delegate, Secretary General Hammarskjold also objects to diverting the General Assembly's attention from "more important matters" to a debate which would have no practical effect on Tibet's plight.

The Dalai Lama continues to believe that the UN must give some measure of recognition to the sovereign status of Tibet. His insistence on this point undermines all efforts to interest the UN in the Tibetan problem.

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PROSPECTS FOR SOVIET-JAPANESE TRADE

Announcement that a Soviet trade mission will visit Tokyo in early October for preliminary negotiations on a long-term trade agreement coincides with a rising optimism in both government and business circles in Japan that a moderate but steady growth in trade with the USSR is in prospect. Until this year most Soviet overtures for increased trade had been couched in unrealistic terms, and few Japanese took them seriously.

Recently there have been more specific efforts to promote trade, and, from the results obtained in the first half of 1959 under the present one-year trade agreement, it is likely that

the goal of \$35,000,000 each way will be reached and perhaps exceeded. This volume still would constitute less than one percent of Japan's total trade but would be well above previous levels.

After reaching \$40,000,000 in total exchange last year, Soviet-Japanese trade has risen rapidly in response to efforts from both sides to expand the number of commodities involved.

Japanese exports to the USSR still consist mainly of synthetic fibers and textiles, steel products, industrial machinery, and ships, but Tokyo hopes to include more light

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industrial products and consumer goods which the Soviet Union has thus far been reluctant to buy.

Soviet exports to Japan have been largely confined to lumber, coal, a few precious metals, and some chemicals. However, late last year Japan received its first shipments of Soviet wheat and crude oil, and this year received an initial delivery of raw cotton. Japanese imports of Soviet grains and other agricultural products are still limited by the high cost of transportation.

At the opening of official trade talks in late November, Moscow is expected to press for a long-term pact as the only way to ensure a steady growth in trade. The current exchanges of trade representatives, planned visits by Soviet industrial missions, and preparations for a Japanese trade fair in Moscow next summer are stimulating interest among Japanese business circles. While skeptical, Japanese businessmen are organizing for increased trade with the USSR.

The neutralization of Japan and the elimination of American influence remain major aims of Soviet foreign policy, but Soviet desire to promote Japanese trade is also based on sound economic motivations, not the

least of which is the close proximity of a highly industrialized country to the still underdeveloped Soviet Far East. Moscow's plans for this area call for huge expenditures which could include purchases of Japanese machinery, steel products, and especially complete industrial plants.

Soviet trade offers have long emphasized Japanese participation in the development of the Soviet Far East, but Japan has remained wary as long as Moscow's tactics have included unrealistic trade goals amounting to hundreds of millions of dollars. Recently, less extravagant offers envisioning a slower but more regular development of economic relations have met a more favorable response. It is believed that a doubling of current trade within two or three years is a reasonable goal.

The USSR is insisting on a formal long-term agreement embodying some system of deferred payments for industrial installations to be delivered over long periods. Japan, however, is reluctant to permit deferred payments unless it is convinced that the USSR can deliver sufficient quantities of high-quality commodities at attractive prices. [REDACTED] (continued by ORR)

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PRESIDENTIAL NOMINATION FIGHT MAY SPLIT SOUTH KOREAN OPPOSITION

Opposition Democratic party leaders Cho Pyong-ok and South Korean Vice President Chang Myon will be the principal candidates for the 1960 presidential nomination at the Democratic convention slated

to start about 15 October. Should Cho lose the nomination, he may bolt the party and--in exchange for assurances that he would be the new prime minister--support an administration-sponsored constitutional amendment

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establishing a modified parliamentary government. This would facilitate President Rhee's re-election in 1960 and place Cho --a strong leader friendly to the United States--in a position to succeed the 84-year-old President. It would, however, be a further setback to Korea's emergent two-party political system.

Pressures for the constitutional amendment, which would restore the post of prime minister and provide for a return to the pre-1952 method of indirect election of the president by the National Assembly, appear to have been quietly building up. Some administration leaders wish to avoid the extreme measures that probably would be necessary to assure Rhee's retention of the presidency in a popular election. Cho, who controls the margin of legislative votes necessary for passage of the amendment, has demonstrated considerable receptivity to the administration's overtures.

Cho's receptivity, however, could be a tactic to force the Democrats into giving him the presidential nomination. Both the Cho and Chang factions of the party have been vigorously maneuvering for control of the some 1,000 convention delegates --including the 540 members of the party's central committee,

two delegates from each provincial branch, two from each local branch, and two from Seoul. Although control of the central committee appears to give Chang the advantage, tentative estimates of factional strength at the convention leave the outcome of the nomination problematical.

Should Cho win the Democratic presidential nomination, he probably would emerge the dominant leader of his party and be less likely to accept any offer from the administration to become the prime minister. Vice President Chang's support in the party has largely derived from his position as Rhee's constitutional successor. Repressive government measures against the opposition, however, indicate that the administration is prepared to take extreme measures if necessary to prevent the re-election of an opposition vice president.

Rhee reportedly is favorably disposed toward the proposed constitutional amendment and has not discouraged the plan. If he does decide against it, Yi Ki-pung, the seriously ill vice-presidential candidate of the governing Liberal party, seems assured of election. [redacted]

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CAMBODIAN - SOUTH VIETNAMESE RELATIONS

A new upheaval in Cambodian - South Vietnamese relations may result from the Sihanouk government's belief that

the Diem regime is actively backing Cambodian dissident elements. The public image of improved relations created by

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the Sihanouk-Diem talks of early August has not yet been dispelled, but Premier Sihanouk may well be working himself up to another outburst against South Vietnam.

Sihanouk nor their basic view that his relations with the Sino-Soviet bloc menace South Vietnam's security. South Vietnam's contention that Communist provocateurs are attempting to poison Cambodian - South Vietnamese relations--and it is reasonable to assume that they are playing their part--falls on deaf ears in Phnom Penh, where there is little illusion as to Saigon's attitude.

A resurgence of friction between the two countries at this time would be particularly unfortunate in view of the need for regional solidarity against Communist aggression in Laos. In recent months, the Sihanouk government has taken a firm stand against local Communist activity, while Cambodia's neutrality policy has shifted, at least for the moment, away from the Sino-Soviet bloc. These gains are now threatened, for despite Cambodia's concern over Communist pressures against Laos and India, it is more acutely concerned with its traditional struggle for survival against the Vietnamese. If Sihanouk is not soon convinced that provocations from Vietnam have ended, he may again feel forced to turn to the Communist bloc for support.

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There is growing Cambodian suspicion that South Vietnam was implicated in the bomb attempt on Queen Kossamak's life on 31 August. Cambodian leaders attribute the deed directly to Sam Sary and are convinced he is being sheltered and encouraged by South Vietnam. Clan-destine anti-Sihanouk broadcasts from South Vietnamese territory continue.

South Vietnamese officials profess innocence of any anti-Sihanouk operations. It is apparent, however, that they have not altered their distrust of

SYRIAN DROUGHT AGGRAVATES UAR'S PROBLEMS

The nearly disastrous 1959 harvest of grain in Syria, resulting from the second successive year of drought, is increasing local dissatisfaction with the Nasir regime and the Syrian-Egyptian union. UAR President Nasir, aware that criticism is growing over the

worsening economic conditions, has sent several high-level delegations to Syria. They all have promised rapid economic development within the framework of ambitious five- and ten-year plans, but dissident elements in Syria may try to exploit the situation.

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Normally a substantial exporter of both wheat and barley, Syria probably will have to import at least 250,000 tons of grain during the 1959-60 season. Optimistic official estimates predict that the present wheat crop will reach 561,000 tons, but trade sources feel the harvest will be substantially lower. In 1957, the last normal harvest year, the crop reached 1,000,000 tons. The shortage in the present crop, coupled with a loss during the winter's severe weather of 2,000,000 sheep--about 40 percent of the region's total--is causing serious economic strains.

The barley crop has also suffered from the severe drought and is not expected to reach more than 10 percent of the 1957 production of 720,000 tons. As a result, Damascus probably will have to import more than 75,000 tons of barley and at least 175,000 tons of wheat during the coming season compared with 1957 when 800,000 tons of these products were ex-

ported. Syria already has been allotted 75,000 tons each of American surplus wheat and barley.

Although the severe drought of the past two years is chiefly responsible for the crop shortage, the adverse effects of the land-reform program have contributed significantly to the present crisis. The government's zeal in confiscating the lands of the large landowners without adequate provision for quick redistribution has taken enormous areas out of cultivation.

In one province, for example, the government is trying to rent about 1,000,000 acres of seized land. Damascus has asked landowners in the Aleppo area to rent and cultivate their former lands until the government can distribute them. The former landowners, however, are wary of assurances of the present regime and are unlikely to respond as the government wishes to the request.

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ARGENTINE GOVERNMENT WINS ROUND WITH LABOR

Argentine President Frondizi, who has been under strong pressures both from the armed forces and from labor in recent months, has been strengthened at least temporarily as a result of the limited worker participation in the politically motivated general strike on 23 and 24 September. This was a blow to the prestige of Peronista and Communist strike leaders, who control about half of organized labor and who had signed in August a unity pact to fight the US-backed stabilization program.

Since Frondizi announced the stabilization program on 29

December 1958, public discontent has grown steadily over hardships from austerity measures under the program. Real wages, for example, in July were only 60 percent of what they were a year earlier. This and the numerous political crises which have marked Frondizi's 17 months in office have alienated his popular support. Consequently the government was concerned over the possibility of serious violence growing out of this strike, especially since some Peronista extremists reportedly hoped to turn anticipated violence into a revolution with aid of various dissident army officers.

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The weak response to the strike outside of industry and the ports was due to several reasons. The government widely publicized the political motives behind the strike, and the army commander in chief warned that the army--although recently in near revolt against Frondizi--would suppress any violence. The "32-Group" unions, which control almost half of organized labor, condemned the strike as political, despite their strong disagreement with Frondizi's labor policies.

After winning last-minute concessions in negotiations with the government, the independent railway union did not join in the strike. Casualties from recent Peronista terrorist bombings also created prejudice against it. The fact that Commu-

nist aid was reportedly ineffective may make the Peronistas reconsider the value of their unity pact.

The government expects more strikes and has announced plans to curtail Peronista and Communist agitation. On 22 September it announced steps to dissolve the Communist party and cancel its legal status, thus making it impossible for supporters of the already outlawed Peronista party to vote for Communist candidates in the congressional elections next March. Economy Minister Alsogaray announced that the basic trade union law will be revised to prevent use of union funds for political and terrorist purposes. [REDACTED]

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MEXICAN PRESIDENT LOPEZ MATEOS AND HIS ADMINISTRATION

President Adolfo Lopez Mateos of Mexico is due in the United States for a five-day visit on 9 October, returning President Eisenhower's Acapulco trip of last February. During the first ten months of his six-year term of office, the youthful

chief executive has been successful in initiating important phases of his program and in retaining a large measure of the popular support which swept him into office last year. Thus far he has concentrated on revitalizing Mexico's sagging economy, purging labor of Communist influence, and maintaining Mexico's international prestige.



LOPEZ MATEOS

Serious economic difficulties such as inflation, unemployment, and depressed raw materials industries continue to plague the government, but the record of the Lopez Mateos administration is essentially one of accomplishment. The peso has remained constant in value, the budget has been kept in balance, Mexico's international accounts have shown considerable improvement, and industrial and agricultural production has increased. In his recent state-of-the-union message, the President

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indicated that the government would continue its nationalistic program in the petroleum industry and would step up its agrarian reform plans.

Lopez Mateos' thorniest problems are in the labor field, where strong pressure for overdue wage raises and resentment against corrupt union leadership have been reflected in serious strikes and a growth of leftist influence in the unions. The President has used the broad powers of his office to deal harshly with Communist-inspired strikes. The arrest and detention of several key Marxist labor leaders indicate his determination to eliminate Communist influence from vital sectors of the economy. The recall of two Soviet diplomats because of their implication in a crippling nationwide rail strike shows that he will not tolerate bloc inter-

ference in Mexico's domestic affairs.

Mexico remains friendly toward the United States and firmly in the Western camp, and its traditional independence in most foreign policy matters is unchanged. In recent statements the President has favored the expansion of Mexico's territorial waters to include the continental shelf. In international discussions of the Caribbean situation, Mexico has reiterated its adherence to the doctrines of nonintervention and the right of all peoples to complete self-determination. The recent peaceful solution of a lengthy fishing dispute with Guatemala on terms nearly identical with the original Mexican demands has undoubtedly enhanced the popularity of Lopez Mateos at home. [REDACTED]

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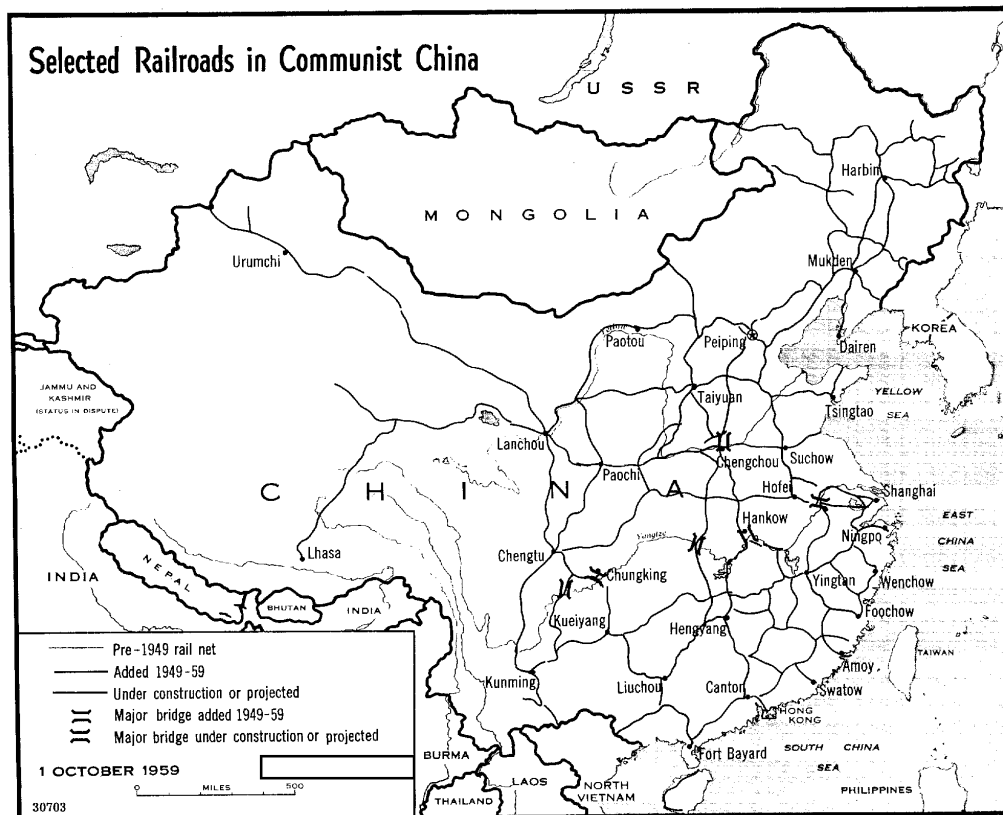
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PART III**PATTERNS AND PERSPECTIVES****THE ECONOMY OF COMMUNIST CHINA AFTER TEN YEARS**

Ten years ago, when the Chinese Communists met in Peiping to establish a new government for China, the economy of the country was in woeful condition. Years of warfare had reduced the output of farm, mine, and factory to rock-bottom levels, the transportation system was a shambles, finances were highly disorganized, there were serious shortages of foodstuffs and raw materials, and the populace was unsettled. The only direction the economy could go was up.

The new regime proved to be a vigorous one with a talent for organization. Using the USSR as its model, it reorganized

the economy along socialist lines and launched a program of industrialization. It followed Stalin's precepts of concentrating on heavy industry and pegging consumption at low levels in order to increase savings to the greatest degree possible. By 1952 the new regime announced that postwar economic rehabilitation had been basically completed. Production in most sectors had been restored to levels obtaining in prewar days, firm financial reforms had been instituted, and the transport snarl had been largely unwound. The regime felt it was in a position to begin its First Five-Year Plan (1953-57) of economic development.

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Desire, however, exceeded reach, and it was not until 1955, almost halfway through the plan period, that Peiping was in a position to discuss the details of the plan in public. The plan was ambitious, and it was brought to what Peiping called a "triumphal conclusion" with the fulfillment or prefulfillment of most of its principal targets. Gross national product grew at an average of 7-8 percent yearly, the total value of industrial output by 16 percent yearly, and agriculture by a more modest 2.5 percent a year. The regime, however, felt it could do better.

The Great Leap

To this end it adopted in late 1957 and early 1958 a series of new policies which departed from the Soviet model. Peiping reasoned that if fuller use could be made of China's huge and often underemployed manpower, the rate of economic advance could be sharply stepped up. It could, in fact, take a "great leap forward."

This concept found expression in a number of policy innovations, such as the program to build large numbers of small, local industries "like stars in the sky" throughout the countryside. Some administrative and financial powers were shifted to lower echelons of the government. In rural areas, immense levies, involving hundreds of millions of Chinese, were put to work during the winter of 1957-58 to improve irrigation and drainage systems.

The "leap" did result in the almost total commitment of the Chinese labor force--a tribute to the regime's organizational skill and its hold on the people. By late spring of 1958 it had spread to all sectors of the economy. The targets of the annual plan, which had been conceived in a more sober atmosphere, were abandoned as local leaders and factory heads joined in a contest to see who would set the highest goals. As the

year wore on, there was a growing air of unreality as "politics took command" of economic work. Not only were extravagant goals being set, but the policies followed in pursuit of these goals often were not well reasoned.

In many respects, the leap was clearly a success. Sound progress was made in many fields. Gross national product went up by 20 percent during the year, the total value of industrial output rose roughly 40 percent and that of agricultural output some 15 percent--all achieved at considerable human and economic cost. This was certainly the most rapid annual advance achieved by Peiping, and one in which the regime would have been justified in pausing and taking pride.

COMMUNIST CHINA'S PRODUCTION STATISTICS
(MILLION TONS EXCEPT WHERE NOTED)

	PRE-COMMUNIST PEAK	1949	1959
STEEL	0.923	0.158	12.0
COAL	61.9	32.5	335.0
ELECTRIC POWER BILLION KWH	5.9	4.3	39.0
CEMENT	2.2	0.66	12.5
COTTON YARN MILLION BALES	2.5	1.85	8.2
FOOD GRAINS	138.7	108.0	250.0
COTTON	0.84	.45	2.3

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The leaders, however, preferred a headier course. Not that they necessarily set about to falsify statistics, but the entire economic reporting apparatus from top to bottom had been geared up to the point where it could only report huge successes. The leaders recognized the possibility that the figures might have been padded, but were apparently unaware of the extent to which this had happened.

In December 1958, Tan Chen-lin, a leading proponent of the leap, defended the 375,000,000-ton figure for the output of food grains by observing that it had already been adjusted to take care of overstatements from individual areas and that actual production was perhaps 5,000,000 tons greater.

At this period the top leaders had apparently been misled

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by the statistics. Policies were introduced which could only be explained by a belief in these highly questionable figures. Thus the establishment of the communal mess hall, where the peasant was supposed to be able to eat all he wanted, must have been based on the expectation of an unprecedented bumper harvest. The original goals for 1959, which were described as geared to the nation's objective conditions, were clearly based on the 1958 claims. Since a planned economy must be based on reliable and pertinent statistics, this was inviting trouble.

Troubles With the Leap

The Chinese Communist leaders have demonstrated an abiding faith in the artificial stimulation of work ardor through mass campaigns, and have had one or more going almost continuously since 1949. During the greatest stimulation of the leap, these campaigns were sometimes pushed to absurd lengths. The leaders, committed to the line that Chinese manpower was their greatest resource, failed to recognize that even in China, it is possible to abuse such wealth.

Probably the outstanding example of misuse was in the iron and steel drive in the fall of 1958. This drive swallowed up so much manpower that the fall harvest and even some industrial and transport tasks were neglected. Necessary office work was shunted aside as the workers tended their backyard furnaces. Such farm practices as deep plowing, close planting, and extra-heavy manuring--all heavily dependent on labor--were pushed to uneconomic lengths. Peasants who fled China have testified that the increase in output attributable to these programs did not justify the vast expenditure of effort involved.

In addition to badly clogging the transportation system, the frenzied pace of the leap

led to tense situations in the market place, especially in the supply of certain daily necessities. Peiping admits that shortages of individual items did occur--Premier Chou En-lai acknowledged that grain was in short supply for a "very short period" in small areas--but insists that regime countermeasures quickly overcame them or would shortly do so. Food shortages have in fact lasted almost since the harvesting of the 1958 crop. Shortages first showed up in nonstaple foods such as vegetables, meat, and fish, which suffered from neglect during the leap, but later spread to staples as well.

By late winter, critics were asking where the foodstuffs were if China had had such a great crop.

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The early 1959 harvest apparently eased the situation somewhat, but residents of at least one major city were reportedly being warned that the shortages of vegetables would persist through the winter.

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Combating the Troubles

The process of correcting the more egregious follies of the leap began late last year, but has been slow and cautious. The back-yard iron and steel drive was the first to be abandoned. An attempt has been made to end some of the wasteful manpower practices of 1958. It was, for example, made clear early in the year that the regime regarded the raising of food as the primary job in rural areas, even if the desired small industries had to be sacrificed for the time being.

The intensive cultivation techniques were to be used more sparingly and with an eye to local conditions--although the misconception regarding the efficiency of these methods was not corrected soon enough to prevent a drop in acreage of

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winter crops. More attention was to be paid to the national economic plan, there was to be a greater concentration on key production tasks, and new construction work was to be limited to the most important projects. Handicraft and service workers, who had been diverted from the production of consumer items, have gradually been returning to their original pursuits, and large numbers of peasants, who had been swept into industry last year, are being sent back to the farm. A brake has been put on the further recruitment of peasant labor for industry.

Many pages in this curious chapter in the history of the Chinese Communists are far from clear. It is not certain just when the leadership realized that it had lost touch with the realities of the Chinese economic scene. However, along with the policy accommodations, which Peiping has described as needed to reach a "more balanced leap" this year, there ran during the first half of 1959 a growing note of caution.

At the April session of the National People's Congress, Premier Chou tempered his general air of optimism with warnings of possible difficulties, especially in agriculture. He cautioned that even a 10- to 20-percent increase in farm output in a single year could fairly be called a "leap." This formulation was repeated by the official People's Daily in the course of a July discussion of the early crops.

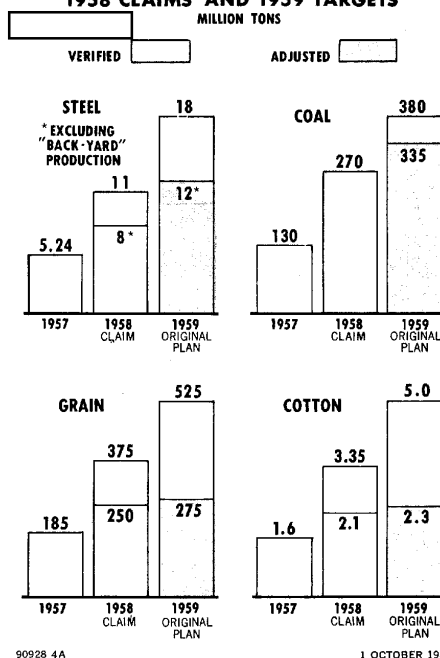
In June the governor of Kwangtung Province, in a widely disseminated article, declared that a "continuing leap" did not mean "limitless acceleration" in the rate of advance since "objective conditions do place a limit on the size of the leap." He added that any retrenchment in 1959 would not be on the same scale as the earlier 1957 retrenchment, when the pendulum had swung too far.

By late spring it was becoming evident that the normal

admonitory spurs with which Peiping goads its workers were not having the desired effects: the "heroic efforts"--on which the 1959 goals relied heavily--were apparently not forthcoming. The leap had begun to slow down. The results of the first half of the year were a disappointment, and the regime was faced with a painful decision. It could either admit that reality was not measuring up to its early dreams of glory or continue to live in its statistical house of cards and try to make the best of a worsening situation.

The Retraction

The decision was to retract. Both the agricultural figures for 1958 and the agricultural, industrial, and investment goals for 1959 were cut sharply, bringing them more closely into line with the actual situation. The cutback was not complete, and some statistical inflation remains in the 1958 grain figures, while the 1959 grain targets still seem out of reach.

COMMUNIST CHINA'S READJUSTMENT OF 1958 CLAIMS AND 1959 TARGETS**SECRET**

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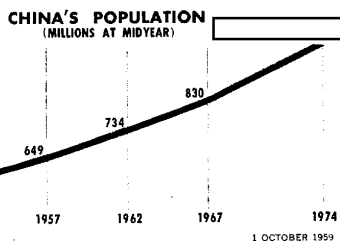
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What the regime now refers to as a "continued leap forward" bears only a superficial resemblance to the 1958 leap. The faithful are still asked to believe that the great iron and steel drive of last fall, the headlong rush to set up communes,

ten years ago are still not solved.

Peiping has not, for example, escaped from the pressures of China's immense and rapidly growing population. A significant part of any year's economic gains must go to take care of the year's increase in population, and little is being done to arrest the birth rate. China is still a predominantly agricultural nation, and its economic progress continues to depend, as it has in the past, on the wealth or poorness of the harvest. Trained manpower is still a scarce commodity.

Peiping has made marked advances toward the solution of these problems, and further advances will almost certainly be made. An as-yet-immeasurable factor is the extent to which Peiping, through its wild claims for the leap in 1958, may have damaged public confidence in the regime's good faith. Until then the Chinese people had in general cooperated well in the regime's ambitious schemes, in spite of receiving only marginal improvements in living standards. Cooperation this year has not been all that Peiping had counted on, and the lack of enthusiasm has extended at least into the lower ranks of the party. Unless this can be rectified, the regime will encounter difficulties in sustaining even the present slackened pace of activity.



the intensive cultivation practices, and the whole range of leap programs were a grand success. The regime has shown a clear preference, since announcing its retractions, to cast its discussions of economic matters in the context of ten-year gains, and the carnival air of last fall is conspicuously absent.

Prospects

The Peiping regime admits in its more sober moments that China is still a newly developing country with a painfully low standard of living and that it has a long, hard way to go to reach its goal of becoming a modern, industrial, self-sufficient state. Many of the same problems which it faced

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PROBLEMS OF FRANCE'S NEW-STYLE PARLIAMENT

When the French parliament reconvenes on 6 October for the first session of the new legislative year, some attempts to reassert its former power will probably develop--perhaps in the Senate, where opposition forces are stronger and less pliant than in the National Assembly. However, no threat to the stability of the Debré government is in prospect now. De Gaulle had no occasion during the opening session to play the role he had envisaged for the president as arbiter between government and parliament. As a result he took the initiative on the impasse which developed on the Algerian and school-aid questions, and his moves will probably lead to a realignment within the parties which have so far given Debré overwhelming support.

"Shakedown" Session

When the new National Assembly ended its first regular session on 27 July, it had met only 30 times in three months, discussed (without voting) only seven items of national interest, and debated only one bill which had originated from the floor. This was a drastic reversal of the practices of its all-powerful predecessor and illustrates both the timidity of the new legislature and the severe restrictions the new constitution places on its activities.

The new assembly felt its way cautiously, in view of De Gaulle's pointed reminder that he would not hesitate to dissolve it. Its only direct weapon against cabinet domination is a cumbersome vote-of-censure procedure which penalizes those responsible for

initiating an unsuccessful move to depose the premier. Moreover, De Gaulle's sweeping decrees in practically every field had robbed the parliament of any chance to evince legislative originality. The major factor behind the assembly inertia, however, was probably Debré's reluctance to seek action on controversial topics. The two most important issues he scheduled for debate were foreign policy, on which he had almost total support, and Algeria, on which differences were satisfactorily camouflaged.

The impression of parliamentary impotence was heightened when the Constitutional Council, in its first interpretative decision regarding the new constitution, ruled that neither the National Assembly nor the Senate could express an opinion in a resolution initiated from the floor. Nevertheless, the only real opposition to Debré's uncompromising attitude toward parliament developed in the Senate, which, unlike the lower house, cannot be dissolved. The opposition forces are much stronger in the upper house, and when the senators rejected two bills the assembly had approved, Debré did not push them during the spring session.

Friction Within the Coalition

The personality of De Gaulle was the dominant factor in the composition of the new assembly and in the alignment of the parties forming the government coalition. The Union for the New Republic (UNR), a disparate collection united only in a profession of loyalty to the general, won the largest percentage of assembly seats held by a single party in half a century,

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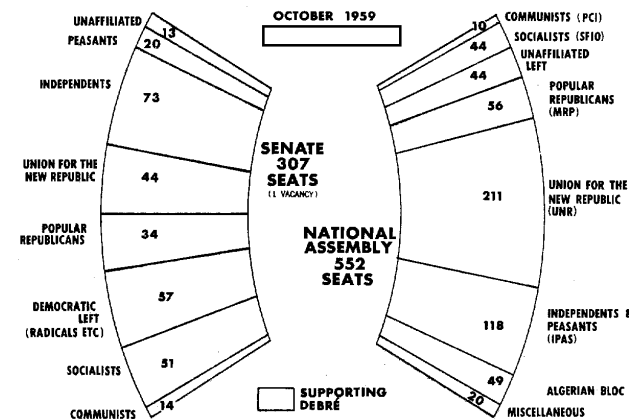
but it fell short of a majority. However, combined with the rightist Independents, the newly formed Algerian bloc, and the centrist Popular Republicans (MRP), the UNR has afforded Debré massive support.

The forces against him, moreover, were badly split: the Communists were considered irreconcilable, the Socialists adopted an attitude of constructive opposition, and the Radicals were not quite sure how to react. The major threat to Debré came from within the coalition itself. This is most apparent in the conflict which developed between the UNR and the Independents on almost every issue.

The assembly debate on Algeria in early June showed a fairly clear divergence between the majority of UNR deputies, who accepted the "Algerian personality" theme, and the bulk of the Independents, who demanded integration of Algeria with France. Some Independents, however, support a liberal solution, because they insist on a financial policy within France's means, and some UNR extremists were quick to join the last-ditch integrationist "Rally for French Algeria" (RAF), formed following De Gaulle's 16 September announcement of Algerian policy. Independent leader Roger Duchet has sponsored the RAF, probably in the hope of splitting the UNR and encouraging dissident UNR and Algerian deputies to join the Independents.

Legislative Problems

A major strain on the Debré coalition is the divergence between the UNR and the

FRENCH PARLIAMENT

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Independents on financial policy. The UNR has been more sensitive to the threat of a recession than the Independents, who are generally intent on halting inflation. This difference in views could lead to a split over tax reforms, on which some steps have been initiated, and especially on the wage-price tug of war, which may become acute this fall. Labor may not be satisfied with the wage hikes the government has undertaken to consider this fall, and UNR elements may use this issue to stress their social and economic differences with the Independents.

In the long run, the most ticklish problem facing the Debré government may be the question of aid to church schools. The Independents have taken the initiative on this issue and have shown little satisfaction over Debré's plan to await the conclusions of the special commission, set up at De Gaulle's direction, before proposing reform of the current statute. Many UNR and MRP deputies prefer not to risk arousing passions over this question, which may pose a major stumbling block to an eventual left-center coalition in the current assembly. It is a fruitful propaganda issue for the French Communist party

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(PCI) in its drive for a popular front. Much of the Socialists' support comes from public-school teachers who are spearheading the campaign against expanded aid to church schools.

Possible Realignments

The key to the stability of the Debré government, barring a decision by the premier to resign, is the cohesiveness of the UNR. A cessation of hostilities in Algeria would remove a major pressure on UNR deputies to stick together and would leave Debré with only the threat of dissolution of the assembly to maintain their support. This may prove a sufficient lever, at least for the immediate future, because many UNR deputies have no prospect of re-election. Given time, they might still hope to develop local machines, or to impose themselves on the national consciousness by some evidence of parliamentary leadership.

Meanwhile, an internal fight is being waged to determine the party's orientation. Party Secretary General Chalandon is pitted against Debré because of the government's failure to keep party leaders abreast of policy, and against Deputy Premier Jacques Soustelle over the party's more liberal approach to the Algerian problem.

The consolidation of the political left seems unlikely in the immediate future. Socialist Secretary General Guy Mollet's control over his party was overwhelmingly demonstrated at its 15th national congress in July, and vindication of his firm belief in De Gaulle's liberal views on Algeria will enhance his influence generally. The school question blocks a rapprochement with the MRP, and pressures from the various splinters on the Socialist left rule out close ties with the Radicals, who are badly split.

Realignment, particularly on the left, will be influenced to some degree by factors outside the assembly. For example, the Autonomous Socialist party, a small group with no assembly representation which ex-Premier Pierre Mendes-France has just joined, has been hopeful of fusing the non-Communist left. Seemingly banking on the failure of De Gaulle's Algerian policy, this group appears oriented more to a return to the politics of the Third and Fourth Republics than to an imaginative forward look, and its ability to outflank Mollet's party is questionable. The school issue may help it, but will also subject it to strong Communist pressure for unity of action, particularly since many of its leaders have not rejected Communist assistance in the past.

Another possible focus of liberal elements is the group of leftist Gaullists whose attempts at lining up support for the general have twice foundered in the past year. His earlier ambiguity on Algeria had handicapped their efforts, but in the light of his present commitments on an Algerian solution, they may yet play an important role.

Prospects

Pierre Viansson-Ponte, political specialist of the influential Paris daily Le Monde, feels that, in the current eclipse of parliamentary influence and in the absence of a respectable opposition in the assembly, potential political power is beginning to express itself outside of both parliament and the government. Special-interest lobbies exert increasing pressure on the administration, and in the future, revived labor unions may offer the only avenue of expression to groups deprived of other means.

If a detente in Algeria is clearly in the making when

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parliament reconvenes, however, a parliamentary reawakening cannot long be avoided. In any event, the government will be obliged to present bills on controversial social measures which will tend to split the major blocs, and opposition to De Gaulle's military development desires will sharpen the budget debate. The cost of the economic development of Moslem Algeria may also begin to stir purse-conscious Independents, particularly as they react to the prospect of eventual Algerian autonomy.

A hint of the assembly's restiveness was apparent in the motion offered by a group of Independent deputies at the end of the spring session criticizing the restraints imposed on the assembly by the Constitutional Council and the gov-

ernment. Moreover, the compliance with which the great majority of the UNR deputies acquiesced in De Gaulle's 16 September proposals for an Algerian solution was traceable to their appreciation of grass-roots sentiments in their home districts. This is an essential aspect of the traditional role of the French assembly: to serve as a barometer of public opinion.

Despite personal antagonisms and divergent views within and between the major parties supporting the government, an early rupture of the majority is not in prospect. The differences will probably become more pronounced as the government develops its policies on key issues, and the evolution of the Algerian problem may accelerate a realignment in the assembly.

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